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FOR IMMEDIATE RELEASE

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City Council Adopts Budget For Fiscal Year 2015-16

FAIRFAX, Va. — The City of Fairfax Council has approved the city's \$130.5 million general fund operating budget for fiscal year 2015-16, an increase of \$2.5 million or 2.0 percent over the prior year. The total approved budget for all funds is \$171.9 million, a 6.6 percent increase over the previous fiscal year's budget. The City's fiscal year runs from July 1 to June 30.

The City Council set the real estate tax rate at \$1.052 per \$100 of assessed value, a decrease of 1.3¢ from the City Manager's proposed rate of \$1.065, and an increase of 1.2¢ over the previous year's adopted rate of \$1.04. The average residential homeowner's tax bill increases 4.1 percent based on the adopted rate of \$1.052 and a 2.9 percent increase in assessed values. This equates to an additional \$197 annual real estate tax based on the average residential home assessment of \$472,358. The average commercial property owner's tax bill increases by 1.0 percent from their prior year tax bill; based on a decrease of 1.9 percent in commercial real estate values and a 2.0¢ increase in the Commercial and Industrial tax rate to 7.5¢ per \$100 of assessed value, in addition to an increase of 1.2¢ over the previous year's base real estate tax rate of \$1.04. These dedicated funds are used exclusively toward new transportation projects in the city. Real estate taxes are assessed and paid on a calendar year basis.

The Adopted Budget maintains 2.0¢ on the real estate tax rate dedicated to the City's Storm Water Fund (included in the total real estate tax rate of \$1.052). These funds are used to address aging stormwater

infrastructure and to meet future regulatory requirements. The Old Town Service District tax remains unchanged at 6.0¢ per \$100 of assessed value.

The Adopted General Fund Budget funds Capital Fund expenditures of \$6.5 million, representing 5.0 percent of General Fund expenditures.

The City is contractually obligated to pay for school instructional costs to Fairfax County Public Schools based on a per-student formula. Year over year, school tuition increased by \$0.66 million, or 1.5 percent. The school tuition contract is the single largest expenditure of the city's General Fund.

City Council approved employee merit raises, including longevity steps for public safety personnel, of up to 3.5 percent (\$313,494) for qualified employees, in addition to a 1.0 percent COLA (\$270,407).

The City Council also approved a wastewater rate increase of 10.0 percent to meet the significant number of capital projects and debt service costs relating to the City's share of upgrades for Fairfax County's Noman Cole wastewater treatment plant, where the City's wastewater is treated.

The City Council agreed to a first-time set aside of \$300,000 from the General Fund to establish an Economic Development Opportunity Fund with specific initiatives to be identified in the coming months. Mayor Silverthorne noted, "The City Council, in partnership with the Economic Development Authority, must strengthen its role as a catalyst in accelerating economic growth to lessen the burden on city tax payers."

The adopted budget adds personnel resources for the city's parks maintenance, funds additional contributions to the city's housing improvement fund (the "Housing Renaissance" fund) as well as providing continued support for the city's highly regarded level of services at a real estate tax rate that is among the lowest of all Northern Virginia jurisdictions.

Highlights of the adopted budget include:

- General fund expenditures and revenues of \$130.5 million, an increase of 2.0 percent
- Expenditures for all funds total \$171.9 million, an increase of 6.6 percent
- Capital fund expenditures for general fund supported projects of \$6.5 million
- Adopted real estate tax rate of \$1.052 per \$100 of assessed value, a 1.2¢ increase over the fiscal year 2014-15 real estate tax rate
- Assessed value of all real property increased \$100,256,004, a 1.8 percent increase

- One cent on the real property tax rate is about \$567,166
- No change to the personal property tax rate of \$4.13 per \$100 of assessed value; however, tax rate set at 1¢ per \$100 of assessed value for qualifying disabled veterans.
- Commercial real estate tax rate increased to 7.5¢ from 5.5¢ per \$100 of assessed value, dedicated for transportation improvements
- Merit increases of up to 3.5 percent for eligible employees, Public Safety longevity steps up to 3.5 percent, and a 1.0 percent COLA for all employees (\$583,901 cost impact)
- Wastewater rate increase of 10.0 percent for continued support of the long-term capital improvement program

The adopted budget will be posted on the city's website prior to July 1 at <http://www.fairfaxva.gov/budget/budget.asp>. A limited number of printed copies of the adopted budget book will also be available July 1 in the Finance Department, Room 312 at City Hall, 10455 Armstrong Street.

For information on the fiscal year 2015-16 adopted budget, contact Kerry Kidd, Budget Manager, at **703-385-7876** or kerry.kidd@fairfaxva.gov.